

NEW HAMPSHIRE STATE LIQUOR COMMISSION

MINUTES OF MEETING – NOVEMBER 3, 2004

PRESENT: Chairman Anthony Maiola and Commissioners John Byrne and Patricia Russell; John Bunnell, Administrator of Marketing & Sales; Craig Bulkley, Bureau Chief of Administrative Services; Aidan Moore, Chief of Enforcement; Peter Engel, Director of Store Operations; Howard Roundy, Director of Information Technology; Evie Taft, Human Resources Administrator; Nicole Horton, Wine Marketing Specialist; George Tsiopras, Chief Financial Officer. **Guests:** Al Picconi, United Beverages, Inc.; Brian Law and Michael Goclowski, Law Warehouses.

EXCUSED: Richard Gerrish, Spirits Marketing Specialist.

I. FINANCIAL & ADMINISTRATIVE REPORTS

1. Financial Reports

A. Weekly, Y-T-D Sales Reports:

The SA1000 report for the week ending October 31, 2004 shows retail sales were up a little over 11%, on-premise sales were down -.08%, off-premise sales were up 4.8%, and total aggregate sales were up around 7.6%. The traffic count increased by 5,086, while the average sales ticket also increased by \$2.17.

The W-1 Total Weekly Sales report for the same period confirms total sales for the week were up a little over 7.6% or \$510,700, as they were for the year by almost 6.5% or \$8,510,905. Wine sales for the week were also up by almost 6% or \$197,089, and were also up almost 7% or \$4,105,000 for the year. Sales of spirits increased 9.3% or \$313,611 for the weekly comparison, as they did year-to-date by a little over 6% or \$4,405,905.

B. Budget/Administrative Reports:

There was nothing of significance to report regarding depletions/post-offs or gift cards for this week.

Craig asked the Commission for guidance regarding the four personnel waivers which are pending at this time. Commissioner Russell said that letters should be prepared to request approval of the waivers. Craig is also trying to determine the status of the vehicle requests submitted by the Commission.

The current W-6 Expense Budget Activity Variance Report shows the year to be at approximately 34.25% completed, with around 36.9% of the budget expended at this time.

George e-mailed a payroll report to everyone showing expenses for Classes 50, 18 and 19 have decreased, and said he hopes this trend will continue.

Processing of the 2004 Annual Report is being wrapped up, and the Commission will soon receive copies. Hopefully, production will be finished within the next week or so.

2. IT Report

IT continues to work to resolve printing issues regarding gift cards on the net.

Howard and George reviewed the OIT budget to make sure there is appropriate funding.

3. Human Resources Report

There was nothing of significance to report regarding personnel for this week's meeting.

II. MARKETING & SALES REPORTS

1. Store Operations

Total retail sales for the week ending 10/31/04 increased by 9.55% or \$459,069.58. Store #55 Bedford continues to experience strong sales, which comes at the expense of Stores #58 Goffstown and #10 Manchester. Sales at the Swanzey store have declined somewhat, while the Keene store sales are on the rise. Commissioner Russell felt this may have been due to the recent Keene pumpkin festival. If this trend continues, however, it might be prudent to take out an ad promoting Swanzey.

Peter and Commissioner Maiola visited a potential location in Center Harbor. However, it is located only five miles from the Meredith store. Peter was again contacted by the gentleman in Northwood, who is now proposing a possible store location just east of Johnson's Dairy Bar.

Renovations for Store #1 in Concord are now starting.

At this point, the Commission addressed the following three late items, with Commissioner Byrne requesting that John Bunnell examine the possibility of starting some stores later and closing them later:

- A. Extended Hours Recommended for the Day Before Thanksgiving, Wednesday, November 24, 2004:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve recommendations for extended hours for Wednesday, November 24, 2004, the day before Thanksgiving, for selected stores, as recommended by Peter Engel, Director of Store Operations and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

B. Holiday Extended Holiday Recommendations:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve extended store hours for the 2004 holiday season, as recommended by Peter Engel, Director of Store Operations and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

C. 2004 Holiday Security Details Recommendation:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve security details for the 2004 holiday season, as recommended by Peter Engel, Director of Store Operations and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2. Purchasing Report

John Bunnell reported that the stores are currently fully stocked, with only a few shortages which are being worked on with the brokers.

3. Merchandising Report

A. SPIRITS:

1) Test Market Request (Bushmill's Irish Cream):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from United Beverages, Inc./ Pernod Ricard USA for a new test market listing for Bushmill's Irish Cream, 750ML size (assigned new Code #5307), as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

B. WINES:

1) Close Outs:

a. 14 items – Maxum Wines:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve close out pricing for fourteen (14) wine codes from Maxum Wines, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. 3 items – Sipp Wines:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve close out pricing for three (3) wine codes from Sipp Wines, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) Recommended Wine Specialty Products (4 items):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve the designation of four (4) wine items as wine specialty products, to be carried in wine specialty stores, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

3) Recommended Allocated Wines for Distribution to Selected Stores (5 items):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve the distribution of five (5) allocated wines to selected stores, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

4) “R” Wines for Allocation to Licensees Selected by the Broker (3 items):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve three restricted wines for allocation to licensees selected by the broker, and retail distribution, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

5) Primary Source Submissions (4 items – exclusive agent; 8 items – imported):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve the listing of four (4) wine codes which are not from primary source, but are offered by the exclusive marketing agent, and eight (8) wine codes which are not from primary source, but are imported, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

III. ENFORCEMENT & LICENSING REPORT - None.

IV. CHAIRMAN'S REPORT & LATE ITEMS

1. Bailment Requests:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve all previously reviewed requests for bailment releases/transfers dated October 28 through November 3, 2004. The motion was unanimously adopted.

2. Coupon Approvals: None.

3. Late items: (Refer to Store Operations A, B and C).

Anthony C. Maiola, Chairman

John W. Byrne, Commissioner

Patricia T. Russell, Commissioner

/D. Hartford